

109TH CONGRESS
2D SESSION

H. R. 5982

To amend the Internal Revenue Code of 1986 to allow a credit against
tax for qualified tuition and related expenses.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2006

Mr. BOSWELL introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a
credit against tax for qualified tuition and related expenses.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Universal College
5 Credit Act”.

6 **SEC. 2. UNIVERSAL COLLEGE CREDIT.**

7 (a) IN GENERAL.—Subpart A of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 is amended by inserting after section 25D the fol-
10 lowing new section:

1 **“SEC. 25E. UNIVERSAL COLLEGE CREDIT.**

2 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
3 dividual, there shall be allowed as a credit against the tax
4 imposed by this chapter for the taxable year an amount
5 equal to the qualified tuition and related expenses paid
6 by the taxpayer during the taxable year.

7 “(b) DOLLAR LIMITATION.—The amount allowed as
8 a credit under subsection (a) with respect to each indi-
9 vidual for whom qualified tuition and related expenses are
10 paid by the taxpayer during the taxable year shall not ex-
11 ceed \$4,000.

12 “(c) CREDIT ALLOWED ONLY FOR 4 YEARS OF UN-
13 DERGRADUATE EDUCATION AND 6 YEARS OF GRADUATE
14 EDUCATION.—An election to have this section apply with
15 respect to any individual for whom qualified tuition and
16 related expenses are paid by the taxpayer during the tax-
17 able year may not be made for any taxable year if such
18 an election (by the taxpayer or any other individual) is
19 in effect with respect to—

20 “(1) the undergraduate education expenses of
21 such individual for any 4 prior taxable years, or

22 “(2) the graduate education expenses of such
23 individual for any 6 prior taxable years.

24 “(d) DENIAL OF DOUBLE BENEFIT.—No credit shall
25 be allowed under this section with respect to the qualified
26 tuition and related expenses of any individual if a credit

1 or deduction is allowed under any other provision of this
2 chapter with respect to such expenses.

3 “(e) DEFINITIONS AND SPECIAL RULES.—For pur-
4 poses of this section—

5 “(1) QUALIFIED TUITION AND RELATED EX-
6 PENSES.—

7 “(A) IN GENERAL.—The term ‘qualified
8 tuition and related expenses’ means tuition and
9 fees required for the enrollment or attendance
10 of—

11 “(i) the taxpayer,

12 “(ii) the taxpayer’s spouse, or

13 “(iii) any dependent of the taxpayer
14 with respect to whom the taxpayer is al-
15 lowed a deduction under section 151,
16 at an eligible educational institution for courses
17 of instruction of such individual at such institu-
18 tion.

19 “(B) EXCEPTION FOR EDUCATION INVOLV-
20 ING SPORTS, ETC.—Such term does not include
21 expenses with respect to any course or other
22 education involving sports, games, or hobbies,
23 unless such course or other education is part of
24 the individual’s degree program.

1 “(C) EXCEPTION FOR NONACADEMIC
2 FEES.—Such term does not include student ac-
3 tivity fees, athletic fees, insurance expenses, or
4 other expenses unrelated to an individual’s aca-
5 demic course of instruction.

6 “(2) ELIGIBLE EDUCATIONAL INSTITUTION.—
7 The term ‘eligible educational institution’ means an
8 institution—

9 “(A) which is described in section 481 of
10 the Higher Education Act of 1965 (20 U.S.C.
11 1088), as in effect on the date of the enactment
12 of this section, and

13 “(B) which is eligible to participate in a
14 program under title IV of such Act.

15 “(3) UNDERGRADUATE EDUCATION EX-
16 PENSES.—The term ‘undergraduate education ex-
17 penses’ means the qualified tuition and related ex-
18 penses paid by the taxpayer during a taxable year
19 for an individual enrolled in an undergraduate
20 course of study during such taxable year.

21 “(4) GRADUATE EDUCATION EXPENSES.—The
22 term ‘graduate education expenses’ means the quali-
23 fied tuition and related expenses paid by the tax-
24 payer during a taxable year for an individual en-

1 rolled in an graduate or professional course of study
2 during such taxable year.

3 “(5) ADJUSTMENT FOR CERTAIN SCHOLAR-
4 SHIPS, ETC.—The amount of qualified tuition and
5 related expenses otherwise taken into account under
6 subsection (a) with respect to an individual for an
7 academic period shall be reduced by the sum of any
8 amounts paid for the benefit of such individual
9 which are allocable to such period as—

10 “(A) a qualified scholarship which is ex-
11 cludable from gross income under section 117,

12 “(B) an educational assistance allowance
13 under chapter 30, 31, 32, 34, or 35 of title 38,
14 United States Code, or under chapter 1606 of
15 title 10, United States Code, and

16 “(C) a payment (other than a gift, be-
17 quest, devise, or inheritance within the meaning
18 of section 102(a) for such individual’s edu-
19 cational expenses, or attributable to such indi-
20 vidual’s enrollment at an eligible educational in-
21 stitution, which is excludable from gross income
22 under any law of the United States.

23 “(f) ELECTION NOT TO HAVE SECTION APPLY.—A
24 taxpayer may elect not to have this section apply with re-
25 spect to an individual for any taxable year.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 for subpart A of part IV of subchapter A of chapter 1
3 of such Code is amended by inserting after the item relat-
4 ing to section 25D the following new item:

“Sec. 25E. Universal college credit.”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2006.

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